VZCZCXRO8022 OO RUEHDBU RUEHLH RUEHPW DE RUEHIL #5382/01 0900248 ZNY SSSSS ZZH O 310248Z MAR 06 FM AMEMBASSY ISLAMABAD TO RUEHC/SECSTATE WASHDC IMMEDIATE 3813 INFO RUEHTA/AMEMBASSY ALMATY PRIORITY 9364 RUEHAH/AMEMBASSY ASHGABAT PRIORITY 0230 RUEHEK/AMEMBASSY BISHKEK PRIORITY 3555 RUEHLM/AMEMBASSY COLOMBO PRIORITY 0627 RUEHKA/AMEMBASSY DHAKA PRIORITY 1375 RUEHDBU/AMEMBASSY DUSHANBE PRIORITY RUEHBUL/AMEMBASSY KABUL PRIORITY 4899 RUEHKT/AMEMBASSY KATHMANDU PRIORITY 6143 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 7979 RUEHNT/AMEMBASSY TASHKENT PRIORITY 0904 RUEHKP/AMCONSUL KARACHI PRIORITY 0359 RUEHLH/AMCONSUL LAHORE PRIORITY 8207 RUEHPW/AMCONSUL PESHAWAR PRIORITY 6011 RHWSMRC/USCINCCENT MACDILL AFB FL PRIORITY RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY RUEKJCS/SECDEF WASHINGTON DC PRIORITY RHEHNSC/NSC WASHDC PRIORITY

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E.O. 12958: DECL: 03/30/2016

TAGS: PREL EAID ETRD PGOV PK AF PTER PARM KNNP

SUBJECT: AMBASSADOR'S BILATERAL TOUR D'HORIZON WITH FOREIGN SECRETARY

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REF: A. A. STATE 34756

¶B. B. ISLAMABAD 3575

TC. C. ISLAMABAD 5070
D. D. STATE 50397 AD PREVIOUS

Classified By: Ambassador Ryan C. Crocker, Reasons 1.4 (b) and (d)

11. (S) Summary: On March 29, Ambassador called on Foreign Secretary Mohammed Riaz Khan to discuss follow-on action

after the March 3-4 visit by President Bush, particularly a time frame for the Foreign Secretary's Strategic Dialogue discussions with P - U/S Burns and cooperation on establishing Reconstruction Opportunity Zones (ROZs). Foreign Secretary confirmed that Pakistan has pledged its support for Guatemala's candidacy for the UNSC through an exchange of notes with the Guatemalan Delegation at the UN. The Ambassador noted that movement on various EXBS and pol-mil programs has slackened in recent months following MFA personnel changes and urged the Foreign Secretary to encourage his staff to actively engage on these issues. Ambassador noted that the Government of Pakistan's (GOP) refusal to interdict suspect materials in transit to Iran had been noted with great disappointment at the highest levels in Washington. If a similar case arises in the future, the Ambassador said that the USG would expect greater cooperation from the GOP. The Ambassador shared the dates that the USG would begin pre-notification of its request to amend the UN 1267 Committee designation of Lashkar-e-Tayyba (LET) to include Jammat-ud-Dawa (JUD), as well as the anticipated date that the U.S. would submit the amendment request to the 1267 Committee. End summary.

Strategic Dialogue

12. (C) The Foreign Secretary said that he, too, is eager to initiate the first round of the Strategic Dialogue talks with U/S Burns. Reviewing his calendar, he indicated that he would be available to travel to WashDC April 17 - 24; April 28 - May 1; or after May 19; he hoped that some of these dates would coincide with open slots in U/S Burns' calendar. The Ambassador noted that several other bilateral consultations are on the horizons, citing the Defense Consultative Group will meet in WashDC May 1-5 and the to-be-scheduled Economic Dialogue; he asked the Foreign Secretary to consider whether these consultations should be

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sequenced or linked in a particular fashion to maximize synergy. The Foreign Secretary said that the GOP has tasked working groups leader to generate ideas for future dialogues on energy, science and technology, economics and education.

ROZs

13. (C) The Ambassador noted that issue of ROZs would receive special attention in the Strategic Dialogue meetings, saying that WashDC policy makers were considering whether to include areas of Balochistan, North West Frontier province (NWFP), the Federally Administered Tribal Areas (FATA) along the Pak-Afghan border and Pakistan-adminsitered Kashmir (AJK) in the zones. USAID is ready to fund a study of how to proceed with the ROZs, but the U.S. would first like to consult with the GOP. The Foreign Secretary agreed that it is important that the public see quick movement on the ROZs and that he confirm who the Prime Minister's Office's has tasked to manage the process (quickly disclaiming that the MFA would be in charge.) Later in the conversation, the Foreign Secretary returned to the ROZs, saying that it would be

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difficult to attract industries to invest in volatile areas such as the FATA. He also expressed reservations about the requirement that Pakistani goods must have a minimum level of

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Afghan imputs to qualify for ROZ benefits, noting that a tendency toward contrariness could lead the Afghans to sign on to the ROZ concept simply to be in a position to block Pakistans's access to ROZ benefits.

EXBS

14. (S) The Ambassador drew the Foreign Secretary's attention to a slowdown in bilateral interaction on EXBS, pol-mil and other programs in recent months. The Foreign Secretary attributed this to a rough transition in the Disarmament Cell following Nazir Hussain's transfer to the Protocol Office. The Ambassador said that the Embassy would contact the new leadership in the MFA's Disarmament Cell, to re-invigorate this critical area of bilateral cooperation.

Interdiction

5 (S) The Ambassador told the Foreign Secretary that senior officials in WashDC were severely disappointed that the GOP refused to interdict suspect maritime cargo scheduled to transit the Port of Karachi on March 4 en route to Iran. (Ref A and B) The Foreign Secretary said that his government had declined the request to interdict in order "to protect" the Bush visit the same day -- if the GOP had acted, he said, negative public reaction would have dominated the news cycle, pushing the good news about the President's visit off the media's radar. The Foreign Secretary stressed that Pakistan had advised the USG of its decision very quickly and had urged the U.S. to interdict the vessel itself. He went on to reaffirm the GOP's commitment to prevent Pakistani-produced

controlled materials from being exported for illicit purposes, but distinguished this from active interdiction of goods produced elsewhere transiting Pakistan. The Ambassador reminded the Foreign Secretary that GOP statements opposing nuclear weapons proliferation -- particularly in Pakistan's immediate neighborhood -- will be put the to test should a similar case arise in the future; he expressed the hope that, if called to act, the GOP would not decline next time.

1267 Committee Designation

 $\P6.$ (S) Reminding the Foreign Secretary that the U.S. had deferred moving forward with its request to add JUD to the LET terror financing designation, the Ambassador apprised the Foreign Secretary of the current timeline for pre-notification and presentation to the UN 1267 Committee. (Ref D) The Ambassador expressed concern over points MFA Spokesperson Tasneem Aslam raised with DCM on March 24, particularly the notion that JUD and other designated organizations should be given special consideration because of their participation in earthquake relief efforts. On the contrary, the Ambassador continued, we have warned the GOP for months that these organizations were engaged in relief work for this express purpose, reaping the benefits of positive press, increased recruitment opportunities and an expanding financial base. If the GOP had taken control of these aspects of the relief efforts, and channeled humanitarian-minded militants into this work as part of an organized DDR program, then perhaps Ms. Aslam would have had a point. As it stands, the USG remains firm in its view that the GOP must take decisive action to bring the militants' relief activities to an end and to vigorously implement the anticipated 1267 Committee designation of JUD. The Foreign Secretary replied that it is very difficult for the GOP to

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act against the militant organizations; that it must consider tools other than coercion to persuade the militants to abandon violence; and that the GOP needs additional

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information on the links between the militants and terrorism/terrorist financing in order to explain the situation to the Pakistani people (Ref C). The Ambassador appreciated the complexities of the situation, but again urged the GOP to ensure that all assets of designated organization have been frozen, in accord with Pakistan's obligations as a member of the UN.

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